



Legislation Text

File #: 11-0926, **Version:** 2

Recommendation to declare ordinance amending the Long Beach Municipal Code by amending Chapter 18.24 relating to Foreclosure Registry Program, read and adopted as read. (Citywide)

On January 4, 2011 the City Council adopted Chapter 18.24 of the Municipal Code establishing a "Foreclosure Registry Program" in the City. Chapter 18.24 provides the City with the ability to better track and monitor properties involved in the foreclosure process, and requires lenders/trustees of vacant properties to maintain their properties so that they do not become a blight or nuisance in the community.

Since the implementation of Chapter 18.24, staff has been tracking Notices of Default (NOD) for residential properties in the City. Since February 2011, an estimated 1,500 NODs have been recorded, and of those, approximately 700 have been registered through the City's Foreclosure Registry Program. The current program requires that staff inspect all registered properties, and document existing conditions. If the property is not maintained, appropriate violation notices are sent. Failure to comply results in the issuance of an Administrative Citation, and the property is then placed into the City's Long-Term Boarded and Vacated Building Program per Chapter 18.21 of the Long Beach Municipal Code. In addition, the current regulations provide for monetary penalties of up to \$1,000 a day for properties that have chronic maintenance issues. Over the last six months, notices advising lenders and trustees of the registry requirements have been issued to all entities that have filed a NOD against residential properties. Under the current ordinance, lenders and trustees must register the property only if it is vacant or abandoned. At this point, there is no way to determine if these residential properties are vacant without a field visit by a member of City staff.

Staff recognizes that, in addition to vacant residential properties, many occupied properties involved in the foreclosure process are not being adequately maintained. The proposed amendments to Chapter 18.24 would require that both vacant and occupied properties be registered with the City at or near the time that a NOD is recorded against the property. The amended ordinance would, therefore, require that all properties registered with the City as part of the program, whether vacant or occupied, pay the annual registration fee of \$155. This fee provides cost recovery for an initial inspection to determine whether or not the property is in compliance with the City's property maintenance standards. Hence, every residential property in the foreclosure process will be inspected for Code compliance. The above-mentioned fee has been established by a separate resolution, as part of the City's Master Fee Resolution.

In addition, the amended ordinance would provide for a penalty for all lenders and/or trustees that do not properly register their properties with the City. The penalties would be imposed in accordance with the provisions of Chapter 9.65 of the Long Beach Municipal Code "Administrative Citations and Penalties." The penalty structure under Chapter 9.65 would allow the City to impose a fine of \$100 for a first violation, \$200 for a second violation, and \$500 for a third and any subsequent violations occurring within a one-year period.

This matter was reviewed by Assistant City Attorney Michael Mais on August 24, 2011 and Budget and Performance Management Officer Victoria Bell on September 2, 2011.

City Council action on this matter is not time critical.

Any revenues received as a result of this action will be deposited into the General Fund (GP) in the Department of Development Services (DV) to cover the cost of a Code Enforcement inspection and evaluation for each registered property. There will not be an impact on local jobs as a result of the recommended action.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY AMENDING CHAPTER 18.24 RELATING TO FORECLOSURE REGISTRY PROGRAM.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER